

Purchasing Local Food

Guidelines for Montana School Food Service Programs



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Montana
Office of Public Instruction
Denise Juneau, State Superintendent

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Recently, there has been increased interest and news regarding farm to school programs, local foods, community-based food systems and the like. Due to this growing interest and the recognition that knowing “Where My Food Comes From” is a good strategy for helping children eat healthfully, many food service directors are addressing the new challenge of procuring food from local sources. This document, ***Purchasing Local Foods: Guidelines for School Food Service Programs***, will be helpful in setting up a system of local food procurement that works for you. The four sections of this document are:

- What is farm to school and how does it work
- General considerations for purchasing local foods
- Understanding the regulations that guide purchasing local food
- Procurement resources for farm fresh products

The Montana Team Nutrition Program and the Montana Office of Public Instruction School Nutrition Programs are dedicated to providing guidance to school food service programs as they establish school or district protocols for enhancing their ability to procure healthy, local food products. Should you need any information that is not answered within this document, please do not hesitate to contact the following individual for further assistance:

Katie Bark, RD, LN
Montana Team Nutrition Program
kbark@mt.gov
(406) 994-5641

Procurement guide developed by: Mary Stein, MS - Montana State University, September 2011

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What is Farm to School and How Does It Work?

Farm to School is a general term for programs and strategies through which:

- Schools buy and feature locally produced, farm-fresh foods such as fruits and vegetables, eggs, milk, breads, meat, and beans on their menus.
- School-age children participate in nutrition and agriculture education opportunities that connect them to the source of their food. Farm field trips, school gardens, recycling programs and classroom-based nutrition and agriculture lessons can all be part of a farm to school curriculum.
- The local community and local farmers benefit from food dollars being spent locally.
- The food does not need to travel very far between its point of production and its point of consumption, thus minimizing the amount of energy used in transportation and allowing for fresher tastier foods being served in schools.

For more information on Farm to School visit the following Web sites:

National Farm to School Network

<http://www.farmentoschool.org/>

Farm to School Programs in Montana: Frequently Asked Questions

<http://www.opi.mt.gov/Pdf/SchoolFood/FarmToSchool/FarmToSchoolFAQs.pdf>



General Considerations for Purchasing Local Foods

Overview of Procurement Considerations

It is important to be aware of procurement regulations that are required by law. In Montana the general rules are:

- For purchases less than \$5,000: No bidding process is required but follow prudent purchasing practices and receive competitive quotations.
- For purchases between \$5,001 - \$25,000 Limited Solicitation procedure.
- For purchases greater than \$25,000: A formal Bid or proposal is required.

For more guidance on procurement rules and procedures go to the *General Division Services Policy Manual* link found at the following Web site:

<http://gsd.mt.gov/ProcurementServices/montanaprocurementlaw.mcpx>

Check out the *Procurement Tools* document addressing correct purchasing procedures can be found at the Office of Public Instruction, School Nutrition Programs Web site under the *Cooperative Purchase Program* link:

http://www.opi.mt.gov/Programs/SchoolPrograms/School_Nutrition/index.html

Please note: Geographic Preference may be applied in the bidding process. Please see Appendix A at the end of this document to learn more about how to use this Geographic Preference option.

Three Easy Steps to Ensuring Food Safety When Purchasing Farm Fresh Food

Including farm fresh products in your school food service programs is a wonderful way of connecting children to healthy foods and raising their awareness of where their food comes from. Yet, if you haven't purchased directly from local farms in the past, you may be unsure about how to do recordkeeping to track food safety practices from the farm to your cafeteria.

1. Record Keeping: Record keeping is important in order to trace back to the source of the product should a food safety problem arise. Make sure you keep records from the vendors on the products so you can identify the source of the product (often called traceability). Use the vendor's invoice or the receipt similar to the one below.

The following may be utilized as a receipt from the grower:

Date: _____
Received by: _____
Donated: _____ Purchased: _____ Purchase price: _____
Description and amount of product purchased: _____

Date harvested: _____
Harvest location: _____
Name of grower: _____
Address: _____
Phone: _____ Email: _____

2. Utilize the information and resources in this guide to help you procure local foods.
3. Consult with your local health inspector or sanitarian, as they can provide assistance if needed to ensure food safety from the farm to the plate

Identifying Sources of Local Food

Connecting with local farmers, ranchers and food businesses may seem like a challenging endeavor, but there are several strategies to get you started.

1. Go to your local Farmers Market and start talking with local farmers. Find out who is interested in working with your school/district to provide food. For a list of Montana Farmers Markets', go to:
<http://agr.mt.gov/farmersmarkets/FarmersMarketsMontana2010.pdf>
2. View the Montana Department of Agriculture's Food and Agricultural Products Directory at: <http://agr.mt.gov/business/foodbev/FBindex.asp>
3. View the Abundant Montana Directory (compiled by AERO – Alternative Energy Resources Organization) at: <http://www.aeromt.org/abundant/>
4. Pose a question to other Montana food service managers on the Montana Lunchline listserv. This group has a wealth of information on sourcing local products. For more information or to be added to this list, contact Katie Bark for more information at (406) 994-5641 or kbark@mt.gov.
5. Check with your distributor (SYSCO or FSA) for a list of Montana products that they stock on a regular basis.

Communicate Your Procurement Needs to the Producer

Keep in mind local producers will not know exactly what your food service program needs from them unless you tell them. You should take some time to think about and develop specifications for what you need, considering the categories listed here:

- Product Pricing and Quantity of Delivered Product
 - It is very important to communicate this information early in your conversations with local food producers.
- Condition of Delivered Product
 - You may end up with carrots that have the greens still attached to them if you don't indicate that you would like the greens removed. Do you require specific packaging for your product (cardboard boxes or sanitized re-useable totes)? Be specific.
- Product Delivery Schedule
 - The last thing a food service manager needs is for a delivery truck to show up in the middle of the school lunch period. Be specific about what days/times work for you in terms of delivery.
- Payment Schedule
 - Do you need school board or central office approval in order to make payment for goods received? If so, plan for this process and communicate this to your vendors.
- Regular Communication on Available Products
 - Ask your local farmers/co-ops/vendors to send you regular communication on what they have available for sale, including:
 - Products available
 - Size of items
 - Quality
 - Quantity available
 - Price

Market Your Local Products – Reward Your Extra Efforts with Customer Recognition of Local Products

Purchasing local products takes some extra effort, so don't let that effort go unrecognized. There are many ways to feature the Farm to School aspects of your foodservice program as a means of marketing your overall program. Consider the following:

- Point of service menu item labeling. Parents, staff and community members may value your efforts to buy locally so be sure to utilize it as a marketing tool.

- Identify local items on the weekly menu that goes in the school newsletter or on the school Web site.
- Create a Farm to School Bulletin Board in your cafeteria. Each month feature a different local farmer who is providing food to your program.
- Do some “taste-test” events with new local products.
- Work in collaboration with teachers and school administrators to set up field trips to farms that are providing products to your program. Remember to call on those teachers and individuals who are already engaged in these activities such as the school’s agriculture teacher or the Future Farmers of America club advisor and student members.

Reference: Information in this section has been adapted from “Local Food Connections: Foodservice Considerations”, Iowa State University Extension. May 2008.

Understanding the Regulations that Guide Purchasing Local Food

First thing, engage in conversation with your local (county) health inspector/sanitarian. They can help you understand the regulatory requirements for purchasing farm fresh food and can help you put in place a good system of documentation and traceability for all products purchased from local producers.

If we consider the different categories of food purchased in school food service operations, the basic guidelines for purchasing from local sources are:

Produce (Fruit and Vegetables)

No formal inspections or regulatory oversight are required of fresh, whole uncut, raw produce. Processed items (including minimally processed such as sliced, chopped or peeled) must follow food safety and licensure requirements established by the Montana Department of Health and Human Services and the local county sanitarian’s office. The basic question to ask if you are purchasing any processed products is, “Are you a licensed food business?”

The “Local Produce Procurement Checklist” on page 8 of this document serves to guide your procurement conversations with local farmers and provides a formal mechanism for tracking your local purchases. It is recommended that you complete this checklist for each farmer from whom you purchase produce and keep a copy of this checklist within your records as part of your food safety plan documentation.

Note: Some farmers may be GAP Certified . GAP stands for Good Agricultural Practices and it is a certification program that many farms that sell to larger food distributors participate in. GAP Certification is not a requirement for farms to sell their products to schools. However, if a farm you are purchasing product from is GAP Certified, you probably do not need to go to the additional effort to fill out your own food safety checklist.

Meat

Meats must be processed and inspected in a state facility if sold to a food service operation in the same state. If that meat is sold across state lines, it must be processed and inspected in a federally inspected facility (USDA inspected). See page 9 of this document “Guidelines for Serving Local Meat in School Food Service Programs” for additional information.

Dairy Products

Dairy products used in school food service programs must be pasteurized.

Eggs

Grade B or better eggs are required to be used in food establishments, including school food service programs. Fresh shell eggs (Grade B or better) may be purchased from local farmers if the farmer is licensed with the Montana Department of Livestock.

Reference: Montana Food Code:



Local Produce Procurement Checklist

*The following is a list of questions for you to ask of your farmer/vendor when purchasing farm fresh produce.
Keep these forms in a three-ring binder as part of your farm to school record-keeping.*

Name of Producer/Farm: _____
 Address: _____ City: _____ Zip _____
 Telephone: _____ E-mail: _____
 Products to be purchased: _____

Production and Handling Practices	Yes	No	N/A
What is irrigation source? <input type="checkbox"/> Well <input type="checkbox"/> Stream <input type="checkbox"/> Pond <input type="checkbox"/> Municipal <input type="checkbox"/> Other _____			
If well water is used, is well protected from contamination?			
Is raw manure incorporated at least 2 weeks prior to planting and/or 120 days prior to harvest?			
Is land use history available to determine risk of product contamination?			
Is the field protected from any chance of run-off from animal confinement or grazing areas?			
Are portable toilets used in a way that prevents field contamination from waste-water?			
Is dirt, mud, or other debris removed from the product before packing?			
Is rinse (potable) water source tested at least once a year and results kept on file?			
Are food product contact surfaces washed, rinsed and sanitized before using?			
Are harvesting baskets, totes, or other containers kept covered and cleaned (with potable water) and sanitized before using?			
Is storage facility well maintained and clean, with designated areas for food products and non-food items?			
Is transport vehicle well maintained and clean, with designated areas for food products and non-food items?			
Are products kept cool during storage and transport?			
Are workers trained in safe food handling practices?			
Are workers instructed not to work if they exhibit signs of infection (e.g., fever, diarrhea, etc.)?			

Ordering Procedures
How far in advance will producer inform you of product availability?
How should orders be placed? (phone, fax, or e-mail)
What are procedures if producer cannot fulfill requested order – (due to volume or quality of product)?
Price and unit of costing?
Delivery Procedures
Timing of delivery
Frequency of delivery
Product Specifications
Desired quality or size?
Other desired specifications?
What substitutes are acceptable?
What is inappropriate in terms of packaging and/or product condition?
Payment Procedures
Amount of lead time required by accounting office in order to add vendor?
What is timing for payment of invoices?

The following may be utilized as a receipt from the grower:

Date: _____
 Received by: _____
 Donated: _____ Purchased: _____ Purchase price: _____
 Description and amount of product purchased: _____

 Date harvested: _____
 Harvest location: _____
 Name of grower: _____
 Address: _____
 Phone: _____ E-mail: _____

*Reference: Iowa State University Extension, **Checklist for Retail Purchasing of Local Produce**
<http://www.extension.iastate.edu/Publications/PM2046A.pdf>*

Guidelines for Procuring Local Meat in School Food Service Programs

Poultry and livestock producers who wish to sell their products to consumers, grocery stores, restaurants, schools and other food service institutions, must meet certain requirements relating to food safety prior to sale. **The poultry and livestock must be slaughtered and processed in an official establishment* that is licensed and inspected by the Montana Department of Livestock (MDOL) or the U.S. Department of Agriculture.**

There are two exemptions:

- Poultry products slaughtered and processed under the federal 20,000 bird poultry exemption may be purchased by schools and other outlets (Note: These birds are slaughtered and processed in inspected facilities).
- Poultry and meat processed in a custom exempt plant may **not** be purchased by schools and other outlets. In this case the poultry/meat is designated for use by the owner of the live animal and is clearly labeled "Not for Sale".

Labeling of poultry and meat products: (required for all "official" state or federally inspected establishments, including mobile units, and poultry exempted producers). All "official" state and federal inspected meat or poultry products sold or offered for sale must bear an approved label. This label must have:

1. True name of the product.
2. Product ingredients, if applicable.
3. Name and address of the processor or distributor.
4. Net weight of the product.
5. The inspection legend (except exempt poultry products).
6. One of the following statements or a similar perishable warning statement: "Keep Refrigerated," "Perishable," "Keep Under Refrigeration," or "Keep Frozen" if the product is perishable.
7. Safe Handling Labels for raw meat and poultry products.

**In Montana, the term "official establishment" includes a mobile slaughter unit.*

Appendix A:

Applying Geographic Preference in the Bidding Process

In February 2011, the USDA released a memo (SP_18-2011) to help provide guidance to School Food Authorities in how to apply geographic preference in the bidding process. To view the memo, go to: http://www.fns.usda.gov/cnd/Governance/Policy-Memos/2011/SP18-2011_os.pdf.

The following information is an adaptation of the USDA memo, developed by the National Farm to School Network (www.farmtoschool.org). It provides the highlights of the memo.

HOW TO APPLY A GEOGRAPHIC PREFERENCE

What is the Definition of Local or the Defined Geographic Area?

It is the purview of the school district or the School Food Authority (SFA), or purchasing institution to define what is “local.” USDA does not make this determination.

What USDA Programs May Apply for a Geographic Preference?

The programs include: the National School Lunch Program, the School Breakfast Program, the Fresh Fruit & Vegetable Program, the Special Milk Program, the Child and Adult Care Food Program, and the Summer Food Service Program. Also included is the Department of Defense Fresh Program, noted in a previous memo, dated November 13, 2009, SP 08-2010 CACFP 05-2010 SFSP 06-2010 and available here: www.fns.usda.gov/.../Memos/.../SP_08_CACFP_05_SFSP_06-2010_os.pdf

Is there a requirement to purchase local products?

No, a SFA cannot include language such as “we will only accept locally grown products.” This is considered a requirement and not a preference. Applying geographic preference is an option.

If the bidder or supplier is incorporated outside of the state, but doing business in the state, can they be included in a geographic preference option?

Yes. A grower may be producing within state boundaries, but their business may be incorporated outside of state boundaries – or in another state. As long as the agricultural products are grown or raised within the specified location, applying a geographic preference is an option.

How can a SFA use a geographic preference option when issuing an Invitation for Bid (IFB)?

With an IFB, the contract is generally given to the bidder who meets the specifications and has the lowest price. As part of an IFB, the SFA could write specifications that include picked within one day of delivery, harvested within a certain time period, or traveled less than XX miles or hours. Although the IFB process doesn’t generally utilize the point system, the essence of the point system could be incorporated into the price equation. For example, if a bidder meets the geographic preference, they may have 10 cents (instead of points) deducted from their price. (Refer to the USDA memo cited in the first paragraph, then see **Question 5** for a specific example.)

Can a geographic preference be given in terms of a price percentage?

Yes, a geographic preference may be used in terms of points or percentages. For example, a product qualifying for a geographic preference could be 10% higher in price than the lowest bid. **Is there a limit on the price percentage or points allocated in this manner?** No, there is no limit, but the SFA cannot unnecessarily restrict free and open competition.

Can a SFA split up large purchases into smaller amounts and thereby fall under the small purchase threshold?

No. However, there may be situations where particular items may be separated from overall food purchases. For example, produce, or specific produce items, may have a limited shelf life when compared with other products. Bread and milk are typically set aside from large overall food purchases because of their shorter shelf life and durability. Fresh produce may fall into this category as well, and be separated from other items being purchased.

Can a SFA utilize the small purchase threshold when purchasing directly from the farmer?

Yes. The federal small purchase threshold is \$100,000, which means purchases under this amount are not required to go through the formal bid process. This threshold may be lower, as states and schools/school districts can set this amount. When purchasing under the small purchase threshold, it is recommended that three quotes be recorded from eligible sources. The quality, number and type of product should be put in writing before contacting potential growers. If possible, at least three bids should be obtained. If it is difficult to find three sources with the desired product, it is essential to document this situation. Documentation should be thorough whenever this purchasing option is used.

Can a state mandate, or require SFAs to apply a geographic preference?

No. However, a state can require that SFAs exercise a geographic preference when feasible. Feasibility may take into account a variety of factors such as price, quality, and seasonal availability.

What agricultural products qualify for the use of a geographic preference?

To qualify for this option, agricultural products must maintain their inherent character. Specifically, this includes: ground beef and other ground products that do not contain additives or preservatives; frozen vegetables, including a combination of local products, such as carrots, broccoli and cauliflower; and portion sized or single-serving bags, such as apples or carrots. Canned products do not maintain their inherent character and therefore are not included in the geographic preference option.

Montana State Law Also Allows for Geographic Preference

In Montana, procurement regulation also supports the purchase of local products. In 2007, the Montana State Legislature passed a bill which allows public institutions more flexibility to buy Montana-produced food through an optional exemption in the Montana Procurement Act. In short, this allows public institutions the option to prioritize “local” over “lowest bid” in the bidding process.

Additional Resources on Farm to School and Purchasing Local Food

Montana Office of Public Instruction – School Nutrition Programs: Farm to School

http://opi.mt.gov/programs/schoolprograms/school_nutrition/#gpm1_3

National Farm to School Network

www.farmtoschool.org

US Department of Agriculture: Farm to School

<http://www.fns.usda.gov/cnd/f2s/>

Washington State Department of Agriculture – Farm to School Toolkit

<http://www.wafarmtoschool.org/>

Michigan Local Foods Procurement Guide – Michigan

http://www.mifarmtoschool.msu.edu/assets/farmToSchool/docs/MIFTS_Purchasing_Guide.pdf

Montana Harvest Calendar



- Potatoes
- Jerusalem Artichoke
- Shallots
- Winter Squash

January – March



- Asparagus
- Lettuce Salad Mix
- Potatoes
- Baby Spinach

April - May



- Cherries
- Huckleberries
- Melon
- Peaches
- Pears
- Plums
- Raspberries
- Strawberries
- Beans
- Beets
- Broccoli
- Cabbage
- Carrots
- Cauliflower
- Chard

June - August



- Collard Greens
- Sweet Corn
- Cucumber
- Eggplant
- Flowers
- Garlic
- Salad Greens
- Green Onion
- Peas
- Peppers
- Radish
- Spinach
- Squash
- Tomatoes



- Apples
- Huckleberries
- Pears
- Peaches
- Beets
- Broccoli
- Cabbage
- Carrots
- Cauliflower
- Celeriac
- Chard
- Collard Greens
- Corn
- Eggplant

September - December

- Garlic
- Jerusalem Artichoke
- Onions
- Parsnips
- Peppers
- Potatoes
- Pumpkins
- Rutabaga
- Shallots
- Spinach
- Squash
- Tomatoes
- Turnips